CHAPTER 188
CONTRACT COMPLIANCE AND JOB COUNTING

261—188.1(15) Applicability. This chapter is applicable to the programs identified in 261—173.1(15).

261—188.2(15) Contract compliance. The department shall provide oversight and contract administration to ensure that funded projects are meeting contract requirements. On-site monitoring will be conducted at the project completion date and the end of the maintenance period.

261—188.3(15) Job counting and tracking. Projects awarded on or after July 1, 2003, shall follow the job counting and tracking procedures described in this chapter. Only jobs that meet or exceed the qualifying wage thresholds will count toward the business's contract job obligations.

261—188.4(15) Business's employment base. "Business's employment base" means the number of jobs that the business and the department have established as the job base for a project. The number of jobs the business has pledged to create and retain shall be in addition to the business's employment base.

188.4(1) The business's employment base shall be project-specific. In most situations, this will include the number of full-time employees working at the facility receiving funding.

188.4(2) There are projects where the funded activity occurs at more than one physical location. If this is the case, the total number of full-time employees working at the identified locations constitutes the business's employment base.

188.4(3) If there are multiple awards made in different years to the same location, the business's employment base will be calculated by using the payroll document from the oldest award that is open. Moving forward, the job obligations from each new award will be added to this base.

EXAMPLES:

Company X receives award 1 on 5/1/06. The department has verified that the business's employment base is 100 FTEs. Award 1 obligates company X to create 10 jobs and retain 30 jobs; there are 10 other jobs in the project (the 10 other jobs are created jobs that do not meet the qualifying wage). The qualifying wage for this award is $16.50/hr and the benefit value is $4.00/hr. The award is made from the IVF (2005) program.

Company X receives award 2 on 9/1/06. After the payroll is reviewed, the actual number of FTEs at the facility is 107, but 120 (original base + award 1 obligations) will be used as the business's employment base for this award. Award 2 obligates company X to create an additional 25 jobs.

Company X receives award 3 on 3/1/07. After the payroll is reviewed, the actual number of FTEs at the facility is 140, but 145 (original base + award 1 obligations + award 2 obligations) will be used as the business's employment base for this award.

188.4(4) The business's employment base is calculated as part of the application process and is determined before an award is made. The following data points will be verified regarding a business's employment base:

a. The total number of FTEs at the funded facility (the business's employment base).
b. The average wage of all FTEs.
c. The qualifying wage used in the award.

d.   The benefit value used in the award.

e.   The total number of FTEs at the funded facility that are currently at or above the qualifying wage.

f.   The average wage of the FTEs identified in paragraph *"e."*

g.   The total number of FTEs at the funded facility that are currently at or above the qualifying wage after the benefit value has been added.

h.   The average wage of the FTEs identified in paragraph *"g."*

188.4(5) *Business's employment base verification.* Payroll documents must be collected to calculate and verify the business's employment base used in each award. The payroll document must include an ID (name, employer ID number, or social security number) and the hourly rate of pay for all FTEs. If the FTEs at the facility do not typically work 40 hours/week, documentation must be collected from the business outlining what the business considers a full-time workweek and how the business's interpretation fits within the norms of its industry standards. This interpretation may or may not be accepted by the department.

261—188.5(15) Job counting using base employment analysis. The department will count jobs to be created or retained as part of a funded project using a base employment analysis. At the time of application, a baseline employment number will be established using payroll records. The baseline data will include details about how many jobs at the project location already meet the qualifying wage thresholds (with and without the value of benefits added to the hourly wage). Changes in these baseline employment numbers will be collected and analyzed by the department as part of the annual reporting process.

188.5(1) A base employment analysis will be performed at the following stages of an award:

a.   At the time of application, before the award is made.

b.   Annually during the reporting cycle.

c.   At the project completion date.

d.   At the end of the maintenance date.

188.5(2) Payroll documents or lists run from payroll systems will be used to calculate and verify the base employment analysis. If a list run from a payroll system is used, the list must be signed stating that it is true and correct under penalty of perjury by the person submitting the documents. The following items will be calculated and verified as part of the annual status report:

a.   The total number of FTEs at the funded facility as of the date of the report.

b.   The average wage of all FTEs.

c.   The qualifying wage used in the award.

d.   The benefit value used in the award.

e.   The total number of FTEs at the funded facility that are currently at or above the qualifying wage.

f.   The average wage of the FTEs identified in paragraph *"e."*

g.   The total number of FTEs at the funded facility that are currently at or above the qualifying wage after the benefit value has been added.

h.   The average wage of the FTEs identified in paragraph *"g."*

188.5(3) For projects involving more than two physical locations or involving more than 500 employees, an independent auditing service will be used to set the business's employment base and provide payroll analysis.

a. The following data points will be verified by the independent auditor regarding jobs:

(1) The total number of FTEs at the funded facility (the business's employment base).

(2) The average wage of all FTEs.

(3) If applicable, the total number of FTEs working at other company facilities within the state of Iowa (statewide base).

(4) The qualifying wage used in the award (provided by IDED).

(5) The benefit value used in the award (provided by IDED).

(6) The total number of FTEs at the funded facility that are currently at or above the qualifying wage.

(7) The average wage of the FTEs identified in subparagraph (6).

(8) The total number of FTEs at the funded facility that are currently at or above the qualifying wage after the benefit value has been added.

(9) The average wage of the FTEs identified in subparagraph (8).

b. All businesses are required to submit annual reports to the department. However, if an independent auditing agreement is in place, the business will be required to report only on the following data points concerning jobs:

(1) The total number of FTEs at the funded facility as of the date of the report.

(2) The average wage of all FTEs.

c. The business will not be required to verify this information as submitted for the annual reports and will not be required to submit annual payroll information.

d. Information submitted concerning the expenditures for the annual report will not change, but verification documents used at project closeout and at the end of project maintenance will be generated by the independent auditor.

188.5(4) Following is an example of the format that the department will use for job counting and tracking using the base employment method.

[program] JOB OBLIGATIONS Project Completion Date: Project Maintenance Date:	Employment Base	Jobs to Be Created	Total Job Obligations
Total employment at project location	1	9	12
Average wage of total employment at project location	2		
Qualifying wage (per hr)	3		
Benefit value (per hr)	4		
Number of jobs at or above qualifying wage	5	10	13
Average wage of jobs at or above qualifying wage	6		
Number of jobs at or above qualifying wage w/bene-fits	7	11	14
Average wage of jobs at or above qualifying wage w/benefits	8		

1.   The number entered in this cell is the total number of FTEs working at the project location at the time of application. This number must be verified with payroll documents.

2.   The number entered into this cell is the average wage of all the FTEs identified in cell #1. This number must be verified with payroll documents.

3.   The number entered in this cell is the 90%, 100%, 130%, etc., qualifying wage threshold used in the award. This data point must include the wage/hr and the percentage in parentheses. [ex: $15.34/hr (130%)]

4.   The number entered in this cell is the benefit value used in the award. N/A (not applicable) should be used for all projects that are not funded with IVF (2005) or HQJC. All supporting documentation must be included in the file.

5.   The number entered in this cell is the number of jobs identified in cell #1 that meet or exceed the wage reflected in cell #3. This number is calculated using the payroll documents. If this project is not funded with IVF (2005) or HQJC, the number of "retained" jobs and retained "other" jobs must be included in this entry. Please note that the number of retained jobs and the number entered here may not match as all jobs existing at the project site may not be considered retained.

6.   The number entered in this cell is the average wage of all FTEs identified in cell #5. This number is calculated using the payroll documents.

7.   The number entered in this cell is the number of jobs identified in cell #1 that meet or exceed the wage reflected in cell #3, after the value identified in cell #4 has been added to all base hourly wages reflected in the payroll documents. If this project is an IVF (2005) or HQJC, the number of "retained" and retained "other" jobs must be included in this entry. Please note that the number of retained jobs and the number entered here may not match as all jobs existing at the project site may not be considered retained.

8.   The number entered in this cell is the average wage of all FTEs identified in cell #7.

9.   The number entered in this cell number includes the number of "created" jobs, as well as the number of created "other" jobs.

10.   The number entered in this cell is the number of "created" jobs in the project. This entry is used only for projects that are not IVF (2005) or HQJC.

11.   The number entered in this cell is the number of "created" jobs in the project. This entry is used only for projects that are IVF (2005) or HQJC.

12.   The number entered in this cell is the sum of cell #1 and cell #9.

13.   The number entered in this cell is the sum of cell #5 and cell #10.

14.   The number entered in this cell is the sum of cell #7 and cell #11.

These rules are intended to implement Iowa Code chapters 15, 15E and 15G.

[Filed emergency 6/15/07—published 7/4/07, effective 6/15/07]